

**DISCLAIMER**

*This electronic version of an SCC order is for informational purposes only and is not an official document of the Commission. An official copy may be obtained from the [Clerk of the Commission, Document Control Center](#).*

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, SEPTEMBER 12, 2002

APPLICATION OF

MARYLAND GAS & ELECTRIC, LTD.,  
T/A OPERATORS ENERGY SERVICES, LLP                      CASE NO. PUE-2002-00420

For a license to conduct  
business as a natural gas  
competitive service provider

ORDER

On August 1, 2002, Maryland Gas & Electric, Ltd., t/a Operators Energy Services, LLP ("Maryland Gas" or "the Company"), filed an application with the Virginia State Corporation Commission ("Commission") for a license to provide competitive natural gas services. The Company intends to serve residential, commercial, and industrial customers in the natural gas retail access program of Washington Gas Light Company ("WGL"). The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B.

On August 13, 2002, the Commission issued its Order for Notice and Comment, establishing the case, and requiring that this Order should be served upon appropriate persons. The Order also required the Commission's Staff to analyze the

reasonableness of the Company's application and present its findings in a Staff Report.

No comments from the public on Maryland Gas' application were received.

The Staff filed its Report on September 6, 2002, concerning Maryland Gas' fitness to provide competitive natural gas service. In its report, the Staff summarized Maryland Gas' proposal and evaluated its financial condition and technical fitness. Maryland Gas does not have audited financial statements or a credit rating. Therefore, Staff recommended that Maryland Gas provide additional security such as a security bond or letter of credit. Staff recommended that a license be granted to Maryland Gas contingent upon the provision of such financial security.

Maryland Gas filed a response to the Staff Report on September 12, 2002. In its response, the Company agreed to provide additional financial security in the form of a \$25,000 letter of credit. However, at this time the letter of credit has not yet been filed with the Commission.

NOW UPON CONSIDERATION of the application, the Staff Report, and the applicable law, we note that Section 56-235.8 F 1 states that, "[a] gas supplier license shall be issued to any qualified applicant within forty-five days of the date of filing such application, authorizing in whole or in part the service

covered by the application, unless the Commission determines otherwise for good cause shown." As noted earlier, in its Report our Staff found Maryland Gas to be technically and financially qualified if and when the Company files additional financial security. Consequently, the Commission finds that, at this time, Maryland Gas is not a qualified applicant solely because of its financial status. Therefore, we will defer any further action in this matter until we have received the proposed \$25,000 letter of credit.

Accordingly, IT IS ORDERED THAT consideration of this matter shall be continued until the Company files the \$25,000 letter of credit to ensure its financial responsibility in providing the services for which an application has been filed.